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DEPT PLS PASS WHITE HOUSE FOR DR. BRZENZINSKI

E.O. 12065: XDS-1 1/25/00 (CASTRO, RAUL H.) OR-M

TAGS: EAGR EEWT AR

SUBJECT: (C) GENERAL GOODPASTER'S MISSION: ARGENTINE COOPERATION
IN GRAINS EXPORT RESTRICTIONS

### 1. (C-ENTIRE TEXT).

- 2. WE SEE NO POSSIBILITY AT THIS TIME OF PERSUADING THE GOA TO ADOPT FORMAL DESTINATION CONTROLS OR PROVIDE DIRECT COOPERATION IN DEALING WITH DIVERSION OF ARGENTINE EXPORTS IN THIRD COUNTRY DESTINATIONS.
- 3. WE BELIEVE THAT GOA LEADERS WISH TO BE HELPFUL WITHIN THE POLITICAL AND ECONOMIC CONSTRAINTS THEY FACE. MARTINEZ DE HOZ EVIDENTLY BELIEVES THAT AN INFORMAL APPROACH IS THE MOST EFFECTIVE WAY OF DOING SO, GIVEN THESE REALITIES.
- 4. UNLESS WASHINGTON SEES OBJECTION, WE PROPOSE TO SEEK ARGENTINE AGREEMENTS ON AN AD REFERENDUM BASIS ON THE FOLLOWING CONFIDENTIAL MINUTE SUMMARIZING THE SECOND DAY'S DISCUSSION:

BEGIN TEXT: CONSULATTIONS ON THE US SUSPENSION OF

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AGRICULTURAL TRADE WITH THE SOVIET UNION

IN REVIEWING THE IMPLICATIONS OF THE US MEASURE, IT WAS AGREED THAT THE COMMON INTEREST WOULD BE SERVED

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IF ARGENTINE COARSE GRAIN EXPORTS CONFORM TO ARGENTINA'S HISTORIC PATTERN OF TRADE IN THESE PRODUCTS. THE ARGENTINE GOVERNMENT EXPECTS THAT EXPORTS OF THESE GRAINS TO THE SOVIET UNION WILL REMAIN WITHIN HISTORIC LEVELS, ALLOWING FOR A NORMAL GROWTH FACTOR REFLECTING THE TREND OF RECENT YEARS. THE ARGENTINE GOVERNEMTN ALSO REAFFIRMED ITS PREVIOUS STATEMENT THAT IT IN NO WAY INTENDS TO TAKE TRADE ADVANTAGE OF THE PRESENT MARKET SITUATION OF THESE PRODUCTS. THE ARGENTINE GOVERNMENT WILL CONTINUE TO PARTICIPATE IN THE MONITORING GROUP AND EXCHANGE INFORMATION ON TRADE MOVEMENTS. IT ALSO OFFERED TO PROVIDE CERTAIN ADDITIONAL INFORMATION. SHOULD THE DATA INDICATE ABNORMAL TRADE MOVEMENTS, THE ARGENTINE GOVERNMENT WOULD BE PREPARED TO CONSULT TO CONSIDER REMEDIAL ACTION. THE ARGENTINE GOVERNMENT ALSO STATED THAT IT HAS NO OBJECTION IF THE US GOVERNMENT CONSULTS WITH OTHER GOVERNMENTS AND THE PRIVATE GRAIN TRADE TO FORESTALL ABNORMAL TRADE FLOWS THAT WOULD HAVE THE EFFECT OF OFFSETTING THE US GRAINS, WITHHELD. END TEXT.

5. WE CANNOT AT THIS TIME BE CERTAIN TO WHAT EXTENT THIS LANGUAGE WILL BE ACCEPTABLE TO GOA. URGENTLY REQUEST WASHINGTON'S REACTION IN TIME FOR OUR FINAL MEETING 12 NOON WASHINGTON TIME.

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Document Information	
DOC_NBR	1980BUENOS00740
FILM	P870104-0712, N800002-0354